



FEDERAL ELECTION COMMISSION

Washington, DC 20463

February 26, 1999

Tom Hughes, Treasurer  
Didrickson for U.S. Senate  
c/o Edward P. Faberman, Esquire  
Ungaretti & Harris  
1747 Pennsylvania Ave., N.W. Suite 900  
Washington, DC 20006-4604

RE: MUR 4721  
Didrickson for U.S. Senate and  
Tom Hughes, Treasurer

Dear Mr. Faberman:

On February 24, 1998, the Federal Election Commission notified your clients, Didrickson for U.S. Senate (the "Committee") and Tom Hughes, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on February 23, 1999, found that there is reason to believe the Committee and Tom Hughes, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office along with answers to the enclosed questions within 30 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the

Edward P. Faberman, Esquire  
Page 2

matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Scott E. Thomas  
Chairman

Enclosures  
Questions  
Factual and Legal Analysis

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

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MUR 4721

**INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS**

TO: Tom Hughes, Treasurer  
Didrickson for U.S. Senate  
c/o Edward P. Faberman, Esquire  
Ungaretti & Harris  
1747 Pennsylvania Ave., NW Suite 900  
Washington, DC 20006-4604

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

### INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from September 1, 1997 to present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

### DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondents in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

### **QUESTIONS AND DOCUMENT REQUESTS**

1. Your disclosure reports indicate that during 1997-1998, you advertised via a banner on a bus owned by Chicago Sightseeing Company d/b/a American Sightseeing Company ("CSC"). Describe the terms for the advertising via the bus including but not limited to:

- a. state the date on which you and CSC agreed that you would advertise via the bus;
- b. state the amount that you paid for advertising via the bus, and the exact period that such payment was for;
- c. provide the dates when the advertising was placed on the bus and removed from it;

d. state whether the agreement for the advertising via the bus was in writing;

e. identify all persons involved in negotiating and executing any agreement for the advertising via the bus;

f. identify and produce all documents related to the advertising via the bus, including but not limited to contracts, contract cancellations, correspondence, invoices, checks, memos, etc.

2. Your disclosure reports indicate that during 1997-1998, you used or leased a bus owned by Chicago Sightseeing Company d/b/a American Sightseeing Company ("CSC"). Describe the terms for your use of the bus, and:

a. state the date on which you and CSC agreed that you would use the bus;

b. state the amount, if any, that you were to pay for the use of the bus;

c. state whether the agreement for the use of the bus was in writing;

d. state the amount that you paid for the use of the bus, and the exact period (hours and days) that such payment was for;

e. state the number of days and hours that you used the bus;

f. identify all persons involved in negotiating and executing any agreement for the use of the bus;

g. identify and produce all documents related to the use of the bus, including but not limited to proposals, contracts, contract cancellations, correspondence, invoices, checks, memos, etc.

3. State whether you paid to insure the bus for the period that you used it. If so, state how much you paid and identify whom you paid.

4. State whether you provided any security deposit for the use of the bus and, if so, identify whom you paid and state how much you paid.

5. Identify who drove the bus and identify who, if anyone, compensated such driver and state the amount of compensation received.

6. State whether the bus was returned to CSC's offices in Chicago every evening in which you used or leased the bus.

7. State whether any of your travel with the bus included overnight stays. If so,
- provide the dates and locations of all overnight stays;
  - Identify who, if anyone, paid for the driver's salary and accommodations, e.g., meals and hotel, motel, etc.
  - Identify and produce all documents relating to the terms or arrangements regarding the bus driver and his or her accommodations, e.g., receipts, correspondence.
8. CSC's invoice #11247, for the use of the bus from November 5-8, 1997, is dated February 9, 1998.
- State when you received invoice #11247;
  - State whether invoice #11247 was the first and only invoice you received for your use of the bus from November 5-8, 1997;
  - If the answer to question 7(b) is in the affirmative, explain why the invoice was not sent and/or received by you until February of 1998.
9. State whether you and CSC had any agreement regarding the renting or leasing the bus to others while it contained the pro-Didrickson advertising, including any restrictions or preferences about whether it would be leased or rented to others, or to whom it could be leased or rented. If so, describe such agreement and identify and produce all documents related to it.
10. State whether you contacted bus companies other than CSC to secure the use of a bus for bus tours and advertising. If so, identify such bus companies, state the terms that they offered and identify and produce all documents related to any communications with such companies, including but not limited to proposals, correspondence, notes, etc.
11. Your initial 1997 Year End disclosure report, filed on January 29, 1998, did not disclose the following debts that were later included on an amended report:

Payee	Purpose	Amount
Ameritech	Phone line deposits	\$ 2,400
Ace Sign	Banners and Signs	\$ 4,360
Chicago Sightseeing	Charter bus	\$ 2,000
Duchossois Industries, Inc.	Use of plane	\$ 2,273
Duchossois Industries, Inc.	Reim. Sen. Dole transportation	\$ 1,763
Matthew Ferguson	Photography	\$ 616
Grafcom	Printing	\$ 2,491

Grafcom	Design	\$ 281
Holiday Inn	Travel	\$ 1,388
Illinois Causality Co.	Travel	\$ 625
Instant Printing	Printing	\$ 2,188
Ronsley	Event Flowers	\$ 780
Sheraton Chicago	Event facility	\$19,690
Ushman Comm. Co.	Phone System Installation	\$ 762
Wolf and Co.	Professional Services	\$ 4,800

With respect to each of the above debts, explain separately why it was not initially included in your 1997 Year End Report, and specifically:

a. state the date(s) when you first entered into an agreement for the services or goods;

b. state the date(s) when each of the services or goods was provided;

c. state whether the agreement for such goods or services was in writing;

d. state the date when you first received any written agreement or invoice relating to such goods or services;

e. identify and produce all documents relating to such goods or services and your failure to initially report these debts, include including but not limited to invoices, bills, contracts, memoranda, correspondence, etc.



**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Didrickson for U.S. Senate  
Tom Hughes, as treasurer

MUR 4721

**I.     GENERATION OF MATTER**

The Office of General Counsel received a complaint from Michael R. Cys alleging violations by Didrickson for U. S. Senate and Tom Hughes, treasurer ("Didrickson campaign" or "campaign"), the authorized campaign of Loleta Didrickson, the Illinois state comptroller who ran for the Republican Senate nomination in Illinois. The complaint alleges that the Didrickson campaign failed to report expenditures for a bus leased by the campaign and that it accepted a corporate and/or excessive contribution in connection with the value of that bus. A response denying the allegations have been received from the Didrickson campaign.

**II.    APPLICABLE LAW**

The Federal Election Campaign Act of 1971, as amended (the "Act" or "FECA") requires that each political committee report any expenditures made and debts incurred during the reporting period. 2 U.S.C. § 434(b)(4)(A). Any debt in excess of \$500 must be reported as of the date it is incurred. 11 C.F.R. § 104.11(b). The Act prohibits any corporation from making a "contribution" in connection with a federal election and prohibits any political committee from knowingly accepting such a contribution. 2 U.S.C. § 441b(a). A "contribution" is defined to include any gift of services or "anything of value" made in connection with a federal election. 2 U.S.C. § 441b(b)(2). The term "anything of value" includes all in-kind contributions and the provision of any goods or services without charge, or at a charge which is less than the usual and

normal charge. 11 C.F.R. § 100.7(a)(1)(iii)(A). The "usual and normal" charge is the price of the goods in the market from which they ordinarily would have been purchased at the time of the contribution, i.e., the fair market value. 11 C.F.R. § 100.7(a)(1)(iii)(B). An incorporated vendor may extend credit to a political committee provided that it is extended in the ordinary course of business and the terms are substantially similar to extensions of credit given to nonpolitical vendors that are of a similar risk and size of obligation. 11 C.F.R. § 116.3(b).

The Act limits the amount that persons may contribute to any candidate for federal office to \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A). Candidates and their authorized committees are prohibited from knowingly accepting contributions in excess of the limitations at Section 441a. 2 U.S.C. § 441a(f). The Act provides that the Commission may find that violations are knowing and willful. 2 U.S.C. § 437g. The knowing and willful standard requires knowledge that one is violating the law. *Federal Election Commission v. John A. Dramesi for Congress Committee*, 640 F. Supp. 985 (D. N.J. 1986).

### **III. SUMMARY OF COMPLAINT AND RESPONSE**

#### **a Complaint**

The complaint alleges that the Didrickson campaign failed to initially report expenses and debts incurred in connection with a bus leased for use and for advertising during the 1997-98 campaign. It also claims that the value of the lease of the bus could be \$120,000 or higher and that there may have been an improper extension of credit, thus resulting in a corporate or excessive contribution. The complaint points to disclosure reports, various news articles and a Didrickson campaign news release and web site. These sources indicate that the Didrickson campaign used a forty foot tour bus that was "shrink wrapped in a bright red 'Loleta for Senate Republican 1998' banner." Complaint at Exhibit B, item 1, page 2. The bus was reportedly used

on a 13 city tour undertaken by the candidate from November 5-7, 1997, and for other events in February of 1998.

The complaint alleges that since the bus was wrapped with the Loleta banner from November through February of 1998, CSC was "effectively precluded" from leasing it to any other party. As the complaint calculates the fair market value of the bus at \$800 per day, plus \$10,000 for the wrap/banner and \$4,800 per month for advertising, it concludes that the total value of the bus from October through February (when the complaint was filed) was \$120,000. The complainant contends that the \$120,000 does not even include the cost of a driver, insurance, or a security deposit.

As the Didrickson campaign did not report any expenses or debt for the bus on its 1997 year end report, and yet it reported other debts totaling \$54,735.10, the complaint claims that the reporting violation was knowing and willful. The complainant further alleges that, at a minimum, the extension of credit by CSC was not in the ordinary course and resulted in a prohibited corporate or excessive contribution.

**b. Response**

The Didrickson campaign acknowledges that it failed to report the expenses incurred for the use of the bus on its 1997 year end report, claiming that this was an oversight by its accountant. The campaign enclosed a letter from its accountant, apologizing for the failure to report "some accounts payable," including the debt owed to CSC. The campaign's accountant asserts that the debts were "inadvertently omitted." The campaign asserts that it amended its 1997 year end report to disclose the expenses incurred during 1997 related to the bus.

Counsel for the campaign asserts that the bus was only leased by the Didrickson campaign for a total of six days (November 5-8, 1997, and February 7 and 14, 1998). Counsel

notes that the campaign paid a separate monthly advertising fee for the pro-Didrickson campaign banner which remained on the bus through February 18, 1998. Didrickson response at page 2. Moreover, he asserts that although the campaign banner remained on the bus, the vehicle was in the possession of CSC for all but the six days for which the campaign was charged for it. Counsel asserts that the complainant's claim that CSC was precluded from leasing the bus to others while the banner remained on it is "totally ludicrous" and inconsistent with industry practice. Didrickson response at page 2, footnote 2. Counsel states that it is the campaign's understanding that CSC leased the bus to other clients while the Didrickson campaign banner remained on it.

The campaign paid CSC \$500 per 12 hour day for the use of the bus. The campaign asserts that it contacted several bus companies and that the terms offered by CSC were the most favorable. The campaign paid CSC \$3,360 per month for advertising via the pro-Didrickson "wrap" or banner. The campaign produced invoices in support of its assertions. Although the response mentions a contract that was initially sent in error to the candidate's place of employment (the state comptroller's office), it is unclear whether that was actually a reference to an invoice. See Didrickson response at page 3, fn. 3. In any event, the response does not include a copy of any written contract. The response from the campaign includes a document entitled "contract cancellation" indicating that there was an agreement between CSC and the Didrickson campaign was "terminated" on February 18, 1998. The campaign paid CSC \$400 to have the banner removed on February 28, 1998.

The campaign paid another vendor, Ace Sign Company, \$4,040, to prepare the wrap or banner. The campaign enclosed an invoice from Ace Sign, dated November 17, 1997, in the amount of \$4,040. The invoice indicates that the bus was wrapped on November 4-5, 1997.<sup>1</sup>

The invoices are as follows:

Invoice #	Invoice Date	Services	Date of Services	Amount
11199	Jan. 10, 1998	Advertising (Banner)	Nov. 9-Dec.8, 1997	\$ 3,360
11200	Jan. 10, 1998	Advertising (Banner)	Dec. 9, 1997-Jan. 8, 1998	\$ 3,360
11247	Feb. 9, 1998	Bus use (4 days)	Nov. 5-8, 1997	\$ 2,000
11267	Feb. 11, 1998	Advertising (Banner)	Jan. 9-Feb. 8, 1998	\$ 3,360
11295	March 4, 1998	Bus use (2 days)	Feb. 7 & 14, 1998	\$ 1,000
11296	March 4, 1998	Advertising (Banner)	Feb. 9-Feb. 28, 1998	\$ 3,340
11298	March 4, 1998	Removal of Banner	Feb. 28, 1998	\$ 400
			<b>TOTAL</b>	<b>\$16,820</b>

The CSC invoices each state that payment is due within 10 days and that 1.5% per month will be added to items paid after the due date. When the campaign amended its 1997 year end report after the complaint in this matter was filed, it disclosed debt to CSC totaling \$2,000 for "charter bus." This appears to have been for the bus use during November of 1997. The amended year end report did not disclose the \$3,360 incurred by the campaign for the advertising from November 9-December 9, 1997. The campaign's 1998 disclosure report indicates that it paid CSC a total of \$8,720 on February 17, 1998, and paid Ace Sign Company \$4,040 on February 18, 1998. However, as of the date of this report, the campaign still reports owing \$8,100 to CSC.

<sup>1</sup> The complainant alleges that the campaign began using the bus on October 25, 1997, but fails to provide anything in support of that claim and the information at hand indicates that the banner was put on the bus on November 5, 1997.

#### IV. ANALYSIS

First, debt owed to CSC for the use of the tour bus and the advertising via the pro-Didrickson banner on the bus, incurred during November and December of 1997, totaling \$5,360, and debt owed to Ace Sign Company for placing the banner on the bus, totaling \$4,040, were not reported on the campaign's 1997 year end report. The campaign amended its 1997 year end report in February of 1998 to disclose the \$2,000 owed to CSC and the \$4,040 owed to Ace, but that was only after the issue was brought to press attention by Didrickson's opponent. Additionally, even the campaign's amended year end report failed to disclose \$3,360 of the incurred to CSC during 1997. There is thus reason to believe that the Didrickson campaign and Tom Hughes, as treasurer, violated 2 U.S.C. § 434 by filing an inaccurate disclosure report.

As referenced in the campaign's response to the complaint and a letter enclosed therein, there was a failure to report more than just the costs incurred related to the bus. In reviewing the campaign's amended year end report which identified the debt to CSC, it became apparent that the campaign failed to report debt totaling \$49,127.40, including \$22,675 for "Event consulting," \$19,690 for "Event facility" and \$4,037 for use of a plane and "Sen. Dole transportation." Thus, while the campaign originally reported total debt of \$54,735.10, its amendment report, filed after the failure to report the expenses for the bus received press attention, disclosed total debt of \$103,862.50. Indeed, the amended report showed almost double the debt of the initial year end report, offering a drastically altered view of the Didrickson campaign's financial situation. The failure to report such sizable debt raises questions, particularly given that it was omitted on a report filed in the midst of this competitive primary election in which press attention was focused on the Didrickson campaign's finances and its ability to mount an effective challenge to her well-financed opponent Peter Fitzgerald.

The letter from the campaign's accountant, enclosed with the response to the complaint, states that it "inadvertently omitted some accounts payable" and emphasized "that there was no deliberate attempt to hide any pertinent information from the public." The campaign's cover letter for the amended 1997 year end report suggests that many of the debts were initially omitted because they were "not invoiced until after January 1, 1998," and that they were included to "adhere to the strictest interpretations of FEC law." The response, however, does not reveal which of the debts that were not initially reported were invoiced prior to the close of the 1997 reporting period. Moreover, contrary to the respondents' suggestions, the Commission's regulations explicitly require that debts in excess of \$500 be reported as of the date they are incurred. See 11 C.F.R. § 104.11(b). Thus, even if the invoices for any of the debt included in the campaign's amended report were not issued or received until after January 1, 1998, this did not obviate the requirement that the campaign include such debt in its 1997 year end report. Additionally, any written contracts that were made, including agreements to make any expenditures, were considered expenditures as of the dates such contracts were made or executed. See 11 C.F.R. § 100.8(a)(2). As such, written contracts entered into in 1997 were reportable on 1997 disclosure reports. In any event, there is reason to believe that the Didrickson campaign and Tom Hughes, as treasurer, violated 2 U.S.C. § 434(b) by failing to report debts incurred during 1997.

Second, the information at hand raises questions and leaves unclear whether an in-kind corporate contribution was made and accepted in connection with the campaign's use of the tour bus with the pro-Loleta Didrickson banner. This Office currently lacks any independent information to determine the fair market value for the daily use of the bus, specifically whether it was \$500 per day, or, as the complainant's claim, \$800 per day plus any costs for the driver,

insurance, etc. On its public internet site, CSC indicates that it charges \$260 for a 47 passenger bus ride from Chicago airports to downtown Chicago, with a total of two hours waiting and driving time, and with a \$50 charge for each additional hour. Although it is unclear whether this airport service is considered within the bus tour industry to be comparable to the type of charter at issue in this matter, applying those internet advertised fees to the services at issue here, it would appear that the fair market value would be close to the \$800 per day fee quoted by the complainants. In fact, given factors such as mileage, fuel and service costs, it would appear more reasonable to conclude that daily tours of multiple cities spread out across the state, like the ones undertaken by the campaign on November 5-7, 1997, would cost far more than a trip to downtown Chicago from one of the local airports.<sup>2</sup>

In any event, the underlying terms of the agreement are currently unknown. For instance, it is unclear whether \$500 per day included a driver, insurance and fuel. Questions are also raised about the 12 hour rental period. The campaign's printed itinerary for the November 5-7 bus tour includes 13 cities spread out over various locations across the state, with distances that would not appear to permit the Didrickson campaign to return the tour bus to CSC in Chicago each evening. If so, it is unclear why the campaign was only charged for 12 hours rather than for a 24 hour period. It is also unclear whether the corporation paid any costs associated with any overnight stays, e.g., any expenses incurred for a bus driver, etc.

Other factors raise questions about the terms of the agreement. While the campaign used the bus on November 5-7, 1997, the CSC invoice for such use is dated February 9, 1998. The February 9<sup>th</sup> invoice date corresponds with when, according to press reports, Didrickson's

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<sup>2</sup> The Didrickson campaign's web states that during the three day bus tour in November, 1997, it "logged more than 1,100 miles" on the bus. Complaint at Exhibit A.



opponent had first brought the issue to public attention. See Attachment 1 (stating that after the opponent raised the issue, the Didrickson campaign "'scrambled' on 2/9 to file updated FEC reports"). The February 9, 1998 invoice date raises a question as to whether the campaign would have even been billed for the use of the bus if the issue had not been brought to light by Didrickson's opponent. Moreover, the cancellation of the agreement on February 19, 1998, right after issues related to the bus came to press attention and this complaint was filed, raises the question of whether the terms for the use of the bus (and perhaps also the costs for the advertising via the pro-Didrickson banner) may have been more favorable than CSC might have provided to others.

It is currently unclear whether there was a written instrument, other than the invoices, evidencing the terms of the agreement between CSC and the campaign for the use of the bus and the advertising. While the campaign makes a vague reference to a written contract in its response at footnote 3, and has provided a copy of a written document evidencing that the contract was canceled, no written contract has been provided. We note that the document entitled "contract cancellation" does not include a cross reference to any written instrument and provide the date thereto (as is the usual practice). This suggests that there may not have been any written contract. Indeed, if there was no written contract, questions are raised about whether this was the usual manner in which CSC conducted business.

Finally, questions are raised about whether the extension of credit by CSC was in the ordinary course of business. See 11 C.F.R. § 116.3(b). The invoices suggest that CSC usually required prompt payment; each invoice states that payment must be made within 10 days or a 1.5% per month charge would be added. Yet CSC did not follow that policy with the Didrickson campaign. It was not until February of 1998 that CSC even issued the \$2,000 invoice

for the campaign's use of the bus in November of 1997 and it was not until January 10, 1998 that CSC issued the invoice for the bus banner advertising from November 8 though December 8, 1997. These invoices, totaling \$8,720, were not paid until February 17, 1998, after this issue received press attention. Despite the fact that the invoices were not paid within 10 days, it does not appear that any fee was charged or paid as called for on the face of CSC's invoices.

The invoice for advertising via the pro-Didrickson banner for the period from January 9 through February 8, 1998, totaling \$3,330, was promptly issued by CSC on February 11, 1998. However, as of the date of this report, this amount has still not been paid. The invoices for the use of the bus for two days in early to mid February, totaling \$1,000, advertising via the banner from February 9 through 28, 1998, at a cost of \$3,340, and the \$400 to remove the banner were not issued until March 4, 1998. Like the invoice from February 11, 1998, these amounts have not been paid. Thus, disclosure reports show that the Didrickson campaign still owes CSC \$8,100. No late fee has been charged according to disclosure reports.

## V. SUMMARY

In summary, the Didrickson campaign appears to have violated Section 434(b) by failing to report debt incurred during 1997, totaling over \$49,000. Additionally, the information at hand raises a number of questions about the terms of the agreement for the charter bus and advertising via such bus, possibly amounting to an in-kind corporate contribution. In light of the foregoing, there is reason to believe that Didrickson for U.S. Senate and Tom Hughes, as treasurer, violated 2 U.S.C. §§ 434(b) and 441b(a).